

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 7463**

**BILL NUMBER:** HB 1659

**DATE PREPARED:** Jan 17, 1999

**BILL AMENDED:**

**SUBJECT:** Abolish State Board of Tax Commissioners.

**FISCAL ANALYST:** Bob Sigalow

**PHONE NUMBER:** 232-9859

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill abolishes the State Board of Tax Commissioners, the School Property Tax Control Board, and the Local Government Tax Control Board. It allocates the duties formerly performed by the State Board of Tax Commissioners among the State Board of Accounts, the Department of State Revenue, and the county property tax control board established by this act.

The bill establishes a new budget making process for local units of government, including school corporations. It establishes a property tax control board for each county consisting of elected officials representing each type of taxing unit. This bill also establishes a referendum procedure allowing voters to agree or disagree with the control board's decision if either the taxing unit or a group of taxpayers petition for a referendum. The bill requires control board approval of all bonds and leases that will be paid from a taxing unit's debt service fund. It also makes conforming amendments.

**Effective Date:** March 1, 2001.

**Explanation of State Expenditures:** This bill eliminates the State Board of Tax Commissioners. On March 1, 2001, all property and personnel of the State Tax Board would be transferred to the Department of Revenue.

The Department of Revenue would be responsible for adopting or promulgating regulations, appraisal manuals, rules, bulletins, directives, and forms for the assessment and reassessment of real and personal property; performing all duties currently assigned to the State Tax Board to assess property; the distribution of public utility and railroad assessments; and providing the reports and forms now generated by the State Tax Board.

Taking the consolidation of like activities into consideration, there would probably be some amount of cost savings involved in the elimination of the State Tax Board. This savings would be negligible when tempered

by the fact that the Tax Board's personnel and duties would become those of the Department of Revenue.

This proposal eliminates the School Property Tax Control Board and the Local Government Property Tax Control Board. The School Control Board is made up of five voting members and two ex-officio members. The Local Control Board is made up of seven voting members and two ex-officio members. They each meet fourteen times per year in Indianapolis. Members who are not state employees are not paid a salary but do receive per diem payments and mileage allowances. These expenses, which are paid from the state General Fund, would be eliminated under this bill.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** This bill creates a county property tax control board in each county. The board would consist of nine members. The board's powers would include approving or disapproving a property tax increase greater than the levy or rate limitations and approving or disapproving a bond issue or lease agreement if the payments will be made from the Debt Service Fund.

The board would have to approve bond issues, lease agreements, and school Capital Projects Fund levies before they could be entered into or adopted. The board's decision may be reversed only by a majority vote in a referendum called for by the taxing unit or residents. An appeal based on procedural error may be filed with the Department of Revenue.

The county control board would provide the local budget reviews that are now performed by the State Tax Board. The county control board would also assume many of the county board of review's duties.

Local revenues should not change appreciably under this proposal.

**State Agencies Affected:** State Board of Tax Commissioners; Department of Revenue; State Board of Accounts.

**Local Agencies Affected:** All local civil units and school corporations.

**Information Sources:**